



Report to the California Public Utilities Commission

2013 Report and 2014 Plan for Women-
Owned, Minority-Owned, and Disabled
Veteran-Owned Procurement

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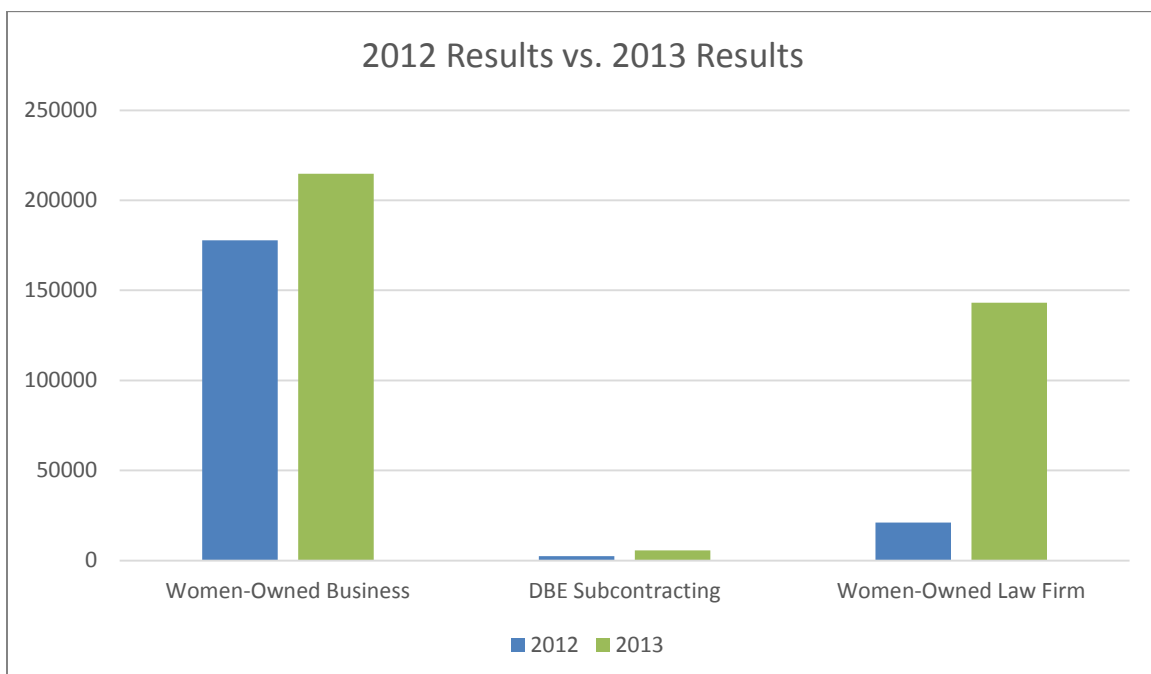
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Executive Summary

Trans Bay Cable LLC (“TBC”) respectfully submits its 2013 Annual Report and 2014 Annual Plan for the Utility Supplier Diversity Program, in compliance with the requirements of California Public Utilities Commission (“CPUC”) General Order No. 156 (“GO 156”). This Annual Report describes the program activities and results TBC achieved for the period of January 1, 2013, through December 31, 2013. The Annual Plan describes TBC’s anticipated and planned activities for the period of January 1, 2014, through December 31, 2014.

Key spending and accomplishment areas in 2013:

- **Women-Owned Businesses** – The total for WBE spend for 2013 was \$214,777, up 21% from the \$177,760 spent during 2012.
- **Subcontracting** – The total for DBE subcontracting spend increased from \$2,458 in 2012 to \$5,539 in 2013, an increase of 125%.
- **Legal Services** – The total spend for women-owned law firms was \$143,182, an increase of 580% from 2012. An additional \$295,195 was spent on female attorneys at majority-owned law firms.



Introduction

TBC is a small (less than 20 employees) energy transmission company located in San Francisco, California. TBC's facilities consist of a 53-mile, approximately 400 megawatt high-voltage direct-current submarine electrical transmission line and two converter stations (the "Project"). The transmission line is located beneath the adjoining bays of San Francisco, San Pablo, and Suisun and runs between TBC's two converter stations: located in Pittsburg, California, and San Francisco, California.



The Project began commercial operation on November 23, 2010. In 2012, the Project delivered power for approximately 57% of San Francisco's electrical load. The Project is a critical and high-profile component of the San Francisco area's electricity infrastructure and its commissioning enabled the retirement of the last in-city generation, eliminating the adverse environmental impacts of that generation.

TBC has participated in the CPUC's voluntary Utility Supplier Diversity Program since 2011.

2013 Annual Report

9.1.1 Internal & External Activities

Internal Activities

TBC's Supplier Diversity Program ("SDP" or the "Program") for diverse business enterprises ("DBE") is overseen by TBC's Legal Department. The Legal Department's efforts are supplemented by TBC's Finance Department, IT Department, Operations Department, and Human Resource Department. Together, TBC personnel have developed, implemented, and continue to expand TBC's Program.

In accordance with Section 6.1.1 of GO 156, in 2013, all employees with procurement responsibilities, including at least one employee from each department, received training on the implementation of TBC's Program.

During the summer of 2013, TBC contacted all of its current vendors and informed them about the CPUC's GO 156 program. TBC encouraged its vendors to register with The Supplier Clearinghouse (if they were eligible) and to use DBE subcontractors when feasible. TBC also offered to assist and answer any questions vendors may have.

Additionally, TBC further developed its Program to engage, utilize, and track spend for diverse subcontractors. TBC's improvements to its subcontractor program are discussed in more detail in Section 9.1.5 below.

This past year, TBC continued to use its website as a resource for potential DBEs. DBEs can contact TBC about supplier diversity through TBC's website at www.transbaycable.com/contact-us/ (a link to this site is also provided on The Supplier Clearinghouse website). DBEs are able to fill out a SDP registration form on the TBC website. Once a DBE registers, that company is added to an internal SDP database. A TBC employee responds to all website inquiries and forwards the DBE's contact information to the appropriate TBC department. DBEs can also submit questions about TBC's Program via this online form.

External Activities

In 2013, TBC participated in and attended many external activities in an effort to (i) further develop its Program, (ii) adopt best practices, and (iii) increase its profile as a small utility in California. These external activities included participation in:

- CPUC Small Utilities workshops, forums, and conference calls;
- National Utilities Diversity Council webinars; and
- California Joint Utilities Committee conference calls.

TBC also responded to CPUC requests for information and has been actively engaged with the CPUC during this past year. Additionally, in November 2013, TBC attended the CPUC's En Banc on *General Order 156 – Supplier Diversity Growing to New Heights*.

9.1.2 Statistical Reports/Summary of Purchases

2013 Utility Supplier Diversity Program Annual Results by Ethnicity

		Direct \$	Sub \$	Total \$	%
Minority Men	Asian-Pacific	-	-	-	-
	African-American	-	-	-	-
	Hispanic	-	-	-	-
	Native American	-	-	-	-
	Other	-	-	-	-
	Total Minority Men	-	-	-	-
Minority Women	Asian-Pacific	-	-	-	-
	African-American	-	-	-	-
	Hispanic	-	-	-	-
	Native American	-	-	-	-
	Other	-	-	-	-
	Total Minority Women	-	-	-	-
Total Minority Business Enterprise (MBE)		-	-	-	-
Women Business Enterprise (WBE)		\$209,237.83	\$5,538.75	\$214,776.58	1.25%
Subtotal Women, Minority Business Enterprise (MWBE)		\$209,237.83	\$5,538.75	\$214,776.58	1.25%
Service Disabled Veteran Business Enterprise (DVBE)		-	-	-	-
TOTAL WMDVBE¹		\$209,237.83	\$5,538.75	\$214,776.58	1.25%
TOTAL PROCUREMENT		\$17,228,430.40			

¹ Women-owned, minority-owned, and disabled veteran-owned business enterprises

2013 Procurement by Product & Service Categories: Direct Contract

		Products		Services		Total	
		\$	%	\$	%	\$	%
Minority Men	Asian-Pacific	-	-	-	-	-	-
	African-American	-	-	-	-	-	-
	Hispanic	-	-	-	-	-	-
	Native American	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Minority Women	Asian-Pacific	-	-	-	-	-	-
	African-American	-	-	-	-	-	-
	Hispanic	-	-	-	-	-	-
	Native American	-	-	-	-	-	-
	Other	-	-	-	-	-	-
	Total	-	-	-	-	-	-
Total MBE		-	-	-	-	-	-
WBE		-	-	\$209,237.83	1.21%	\$209,237.83	1.21%
Subtotal MWBE		-	-	-	-	-	-
DVBE		-	-	-	-	-	-
Total WMDVBE		-	-	\$209,237.83	1.21%	\$209,237.83	1.21%
TOTAL PROCUREMENT		\$17,228,430.40					

Net Procurement	\$17,228,430.40
WMDVBE Products Procurement	\$-
WMDVBE Service Procurement	\$209,237.83
NET DIRECT WMDVBE PROCUREMENT	\$209,237.83

9.1.3 Itemization of WMDVBE Program Expenses

The following summarizes 2013 expenses solely attributable to activities supporting California Public Utilities Commission General Order 156:

Expense Category	Expense*
Wages	-
Other Employment Expense	-
Reporting Expense	-
Training	-
Consulting	-
Program Expense	-
TOTAL PROGRAM EXPENSES	-

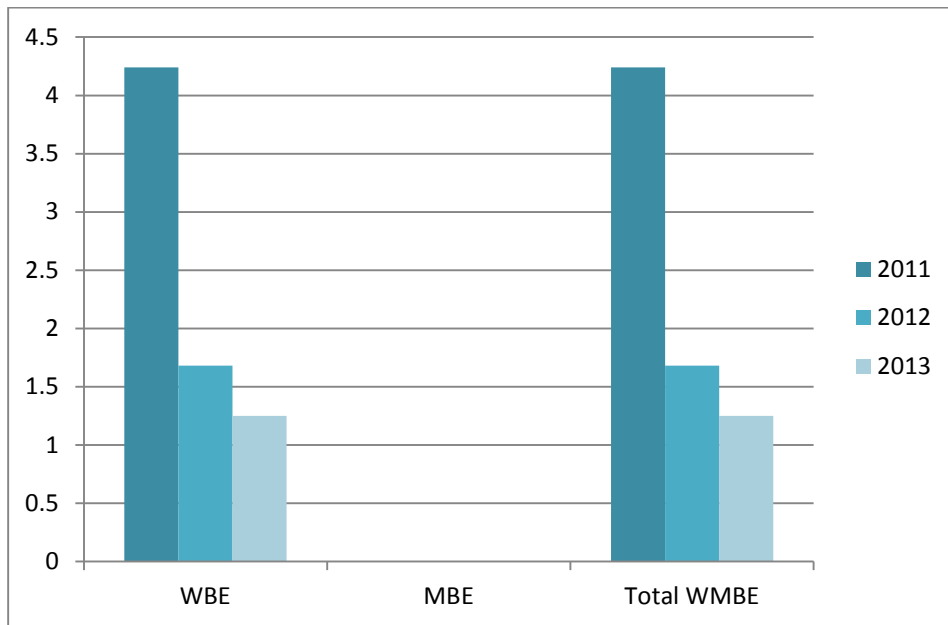
*While expenses were incurred for activities supporting G.O. 156, none of the expenses were solely attributable to those activities

9.1.4 Progress in Meeting or Exceeding Set Goals

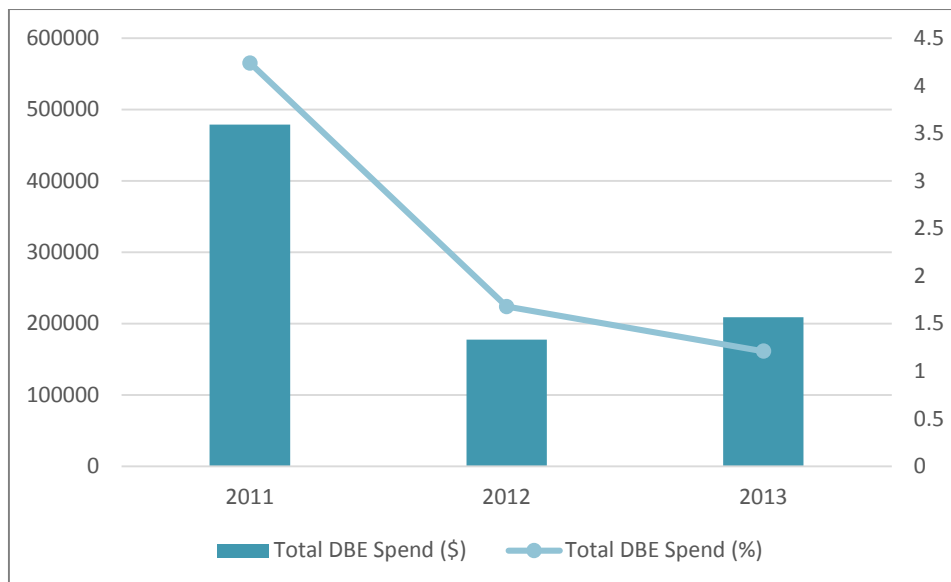
TBC did not meet its 2013 WMDVBE Procurement Goals, coming in at 4.75% below its overall goal target. It should be noted that TBC increased its overall spend with minority and/or women owned business enterprises in 2013. TBC's overall WMBE spend would have been much higher, however, certain vendors were not Clearinghouse Supplier certified; therefore, those amounts could not be included in TBC's 2013 totals. If all minority- and women-owned business enterprises used by TBC were certified, TBC would have increased its 2013 WMDVBE Procurement Results by at least 2.36%. TBC continues to encourage all applicable vendors to become certified Clearinghouse Suppliers.

Category	2013 Results	2013 Goals
Minority Business Enterprise (MBE)	-	3.00%
Women Business Enterprise (WBE)	1.25%	3.00%
Sub Total Women, Minority Business Enterprise (WMBE)	1.25%	6.00%
Disabled Veteran Business Enterprise (DVBE)	-	-
TOTAL WMDVBE	1.25%	6.00%

TBC's Historical WMBE Spend (% of Procurement)



TBC's Three Year Supplier Diversity Spend: 2011-2013



9.1.5 Summary of Prime Contractor Utilization of WMDVBE Subcontractors

TBC continued to encourage all of its Prime Contractors to utilize DBE subcontractors. Additionally, the Responsible Vendor section of TBC's Purchase Order Terms and Conditions states:

"In connection with the performance of work under this Agreement, Seller [or Contractor or Vendor] agrees to operate in an ethical and socially responsible manner which means that Seller [or Contractor or Vendor]... engages and includes women, minority, and disabled veterans business enterprises for subcontracting opportunities when feasible."

Additionally, TBC expanded its subcontracting program and sent out informational letters to its vendors to encourage them to utilize DBE subcontractors when feasible. The informational letter also reminded vendors that TBC is available to assist them in the development of their own diverse supplier program.

Overall, TBC's vendors' subcontracting spend with diverse suppliers increased 125% in 2013, from \$2,458 to \$5,539.

9.1.6 WMDVBE Complaints Received

TBC did not receive any WMDVBE complaints in 2013.

9.1.7 Purchases/Contracts for Products/Services in Excluded Categories

ALJ General Order 156 Ruling on November 14, 2003, ended the excluded category. Specific categories are not deducted from the fundamental procurement amount.

9.1.8 Recruitment Efforts in Underutilized Areas

TBC recognizes the importance of increasing DBE utilization in areas with traditionally low representation in the utility industry, such as legal and financial services. In 2013, TBC continued its engagement and increased its spending with a woman-owned law firm. TBC's work with this woman-owned law firm totaled over \$143,182, an increase of nearly 580% from 2012.

In addition to utilizing women-owned law firms, TBC also strives to develop and maintain relationships with diverse attorneys at majority-owned law firms. In 2013, TBC spent over \$295,195 with female attorneys at majority-owned law firms.

Legal Services Billed in 2013

		Woman-owned Law Firm Spend	Diverse Attorneys at Majority-owned Law Firm Spend
Minority Men	Asian-Pacific	-	-
	African-American	-	-
	Hispanic	-	-
	Native American	-	-
	Other	-	-
	Total Minority Men	-	-
Minority Women	Asian-Pacific	-	-
	African-American	-	-
	Hispanic	-	-
	Native American	-	-
	Other	-	-
	Total Minority Women	-	-
Total MBE		-	-
WBE		\$ 143,182.08	\$253,195
Subtotal MWBE		\$ 143,182.08	\$253,195
DVBE		-	-
TOTAL WMDVBE		\$ 143,182.08	\$295,195

2014 Annual Plan

10.1.1 WMDVBE Short-, Mid-, and Long-Term Goals

TBC is committed to supplier development and increasing competitiveness in sourcing products and services. TBC's 2014 WMDVBE program goals are stated below:

2014 Strategic Program Goals

Short-, Mid-, and Long-Term Goals	Short Term (2014)	Mid Term (2016)	Long Term (2018)
Minority Business Enterprise (MBE)	2%	4%	5%
Women Business Enterprise (WBE)	2%	4%	5%
Disabled Veteran Business Enterprise (DVBE)	-	0.5%	1%
TOTAL WMDVBE GOAL	4 %	8.5%	11%

10.1.2 Planned Internal and External Activities

TBC is committed to continue its participation in supplier diversity outreach events in the San Francisco Bay Area. For 2014, TBC's supplier diversity plans include the following strategies to strengthen the Program's results:

Planned External Activities

- Participate in local diversity expos, trade-fairs, and conferences
- Attend various CPUC and utility events, workshops, meetings, forums, webinars, conference calls, etc.
- Encourage existing suppliers to participate in the CPUC's supplier diversity program and register with The Supplier Clearinghouse

Planned Internal Activities

- Finance Department will continue to be responsible for identifying which active and current suppliers fall within TBC's Supplier Diversity Policy
- Utilize tools, such as the Supplier Diversity Clearinghouse, to receive bids from a more diverse group of suppliers

- Further educate employees, management, and prime contractors on implemented policies and processes to strengthen the alignment of strategic sourcing and Supplier Diversity
- Clearly communicate TBC's Supplier Diversity Program, including its subcontracting program to prime contractors
- Assist prime contractors in developing their supplier diversity plans and goals
- Develop processes to maximize participation of diverse suppliers for products and services identified to be competitively bid
- Continue to adopt and follow industry best practices

TBC's WMDVBE recruitment efforts remain on-going, and TBC will continue its efforts to identify and utilize WMDVBE suppliers. Recruitment efforts will continue through participation at events such as the CPUC's Small Business Expo and other industry events.

10.1.3 Plans to Seek and Recruit WMDVBE Suppliers in Underutilized Areas (Financial, Legal, Etc.)

TBC is committed to seeking and recruiting WMDVBE suppliers in underutilized areas. In 2014, TBC will continue to:

- Route potential suppliers to TBC's internet site at <http://www.transbaycable.com/contact-us/>, where suppliers can select "supplier diversity" from the drop down menu and enter their information to register to become a qualified supplier in our database;
- Partner with leadership in the non-traditional areas to plan and develop strategies for increasing the utilization of diverse suppliers; and
- Execute best practices within our sourcing strategies to identify products and services where diverse suppliers exist, but the company is underutilizing them.

10.1.4 Plans for Seeking or Recruiting WMDVBE Suppliers for Excluded Categories

The ALJ General Order 156 Ruling on November 14, 2003, ended the excluded category. Specific categories are not deducted from the fundamental procurement amount.

10.1.5 Planned Subcontracting Opportunities

TBC will continue to encourage prime contractors to engage and include DBEs in subcontracting opportunities. Although the award of any subcontracting activity is at the prime contractor's final discretion, TBC will work closely with its prime contractors to: 1) help identify specific products and services within TBC's projects where there are known diverse suppliers for inclusion, 2) make our listing of approved diverse contractors accessible, and 3) advocate for diverse supplier inclusion to the maximum extent possible. TBC will continue to develop a formal Supplier Diversity Program for its prime contractors in order to encourage them to develop DBE subcontractor goals and to utilize DBE subcontractors when feasible.

TBC will also continue to provide additional guidance to its prime contractors in the Responsible Vendor section of TBC's Purchase Order Terms and Conditions. This section communicates the company's commitment to supplier diversity and reaffirms the company's expectations of opportunity and inclusion early in the sourcing process.

10.1.6 Program Compliance

TBC recognizes the social and economic benefits of a successful supplier diversity program. TBC will continue to comply with GO 156 and its guidelines and requirements and will continue to work with the CPUC, its staff, and the California Joint Utilities Group in pursuing new strategies to continually advance the Utility Supplier Diversity Program objectives. TBC will comply with all revisions of GO 156 and all other requirements of the CPUC.